

AMENDED IN SENATE APRIL 22, 2002

**SENATE BILL**

**No. 1563**

**Introduced by Senator Polanco**

February 20, 2002

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An act to ~~add Section 2890.2 to~~ amend Section 709 of, and to add and repeal Section 709.1 of, the Public Utilities Code, relating to telecommunications.

LEGISLATIVE COUNSEL'S DIGEST

SB 1563, as amended, Polanco. Telecommunications: ~~consumer rights~~ services.

*Existing law, the Public Utilities Act, sets forth the findings and declarations of the Legislature that a policy for telecommunications in California is to, among other things, promote the avoidance of anticompetitive conduct.*

*This bill, in addition, would refer to assisting in bridging the “digital divide” by encouraging expanded access to state-of-the-art technologies by rural, inner city, low income, and disabled Californians, to encourage fair treatment of consumers through consumer-oriented conduct, and, instead of promoting the avoidance of anticompetitive conduct, promoting a level playing field among providers.*

*The bill would also require the commission, not later than April 1, 2003, to convene a proceeding to develop a plan for encouraging the widespread availability of advanced telecommunications infrastructure, and would require the proceeding to encourage participation from a broad cross section of the telecommunications industries, including those entities that the commission does not regulate, as well as users and community representatives.*

*The bill would require the commission to submit by February 1, 2004, to the Governor and the Legislature a report of its findings and recommendation regarding the plan, which identifies areas where telecommunications infrastructure is inadequate, assesses the consequences of this inadequacy, and develops strategies for encouraging the deployment of adequate investment.*

*These latter provisions concerning the commission's convening of a proceeding and the related report would be repealed on January 1, 2005.*

~~Existing law authorizes the Public Utilities Commission to regulate public utilities, including telephone corporations.~~

~~This bill would require the commission, in developing its telecommunications priorities for the 21st century, to take action in order to reaffirm the highest priority for maintaining the rights of every citizen of the state to access quality telecommunications services. Specifically, the bill would require the commission to develop a strategy to ensure that consumer choice is provided, articulate the vision of an improved telecommunications infrastructure, encourage the development of a broadly accessible telecommunications network that ultimately leads to the future development of an integrated voice, video, and data telecommunications system, and develop a low income market plan that deploys innovative strategies to serve low income customers. The bill would also require the commission to support the basic rights of the state's consumers to products and services consistent with the state's public trust obligation to universal, accessible, and affordable telecommunications services, to quality service and performance of telecommunications tools, to fair and honest treatment, including prompt and equitable resolution of billing and service problems, to public information that is necessary to allow consumers to make timely and informed choices about products and services, to protect and preserve the confidentiality of consumers' individual records and use patterns, to choose telecommunications services from among a wide array of products and services accessible to all consumers, and to be heard by telecommunications providers to facilitate the development of fair and consumer friendly policy formation by telecommunications providers.~~

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.



*The people of the State of California do enact as follows:*

~~SECTION 1. Section 2890.2 is added to the Public Utilities~~

*SECTION 1. Section 709 of the Public Utilities Code is amended to read:*

709. The Legislature hereby finds and declares that the policies for telecommunications in California are as follows:

(a) To continue our universal service commitment by assuring the continued affordability and widespread availability of high-quality telecommunications service to all Californians.

(b) To encourage the development and deployment of new technologies and the equitable provision of services in a way which efficiently meets consumer need and encourages the ubiquitous availability of a wide choice of state-of-the-art services.

(c) *To assist in bridging the “digital divide” by encouraging expanded access to state-of-the-art technologies by rural, inner city, low income, and disabled Californians.* ~~To~~

(d) To promote economic growth, job creation, and the substantial social benefits that will result from the rapid implementation of advanced information and communications technologies by adequate long-term investment in the necessary infrastructure.

~~(d)~~

(e) To promote lower prices, broader consumer choice, and ~~avoidance of anticompetitive conduct~~ *a level playing field among providers.*

~~(e)~~

(f) To remove the barriers to open and competitive markets and promote fair product and price competition in a way that encourages greater efficiency, lower prices, and more consumer choice.

(g) *To encourage fair treatment of consumers through provision of sufficient information for making informed choices, establishment of reasonable service quality standards, and establishment of processes for equitable resolution of billing and service problems.*

*SEC. 2. Section 709.1 is added to the Public Utilities Code, to read:*

1 709.1. (a) No later than April 1, 2003, the commission shall  
2 convene a proceeding to develop a plan for encouraging the  
3 widespread availability of advanced telecommunications  
4 infrastructure. The proceeding shall encourage participation that  
5 includes a broad cross section of the telecommunications  
6 industries, including those entities that the commission does not  
7 regulate, as well as users and community representatives.

8 (b) The mission of the plan is to identify areas where  
9 telecommunications infrastructure is inadequate, assess the  
10 consequences of this inadequacy, and develop strategies for  
11 encouraging the deployment of adequate investment.

12 (c) The commission shall submit to the Governor and  
13 Legislature a report of its findings and recommendations by  
14 February 1, 2004.

15 (d) This section shall remain in effect only until January 1,  
16 2005, and as of that date is repealed, unless a later enacted statute,  
17 that is enacted before January 1, 2005, deletes or extends that date.  
18 Code, to read:

19 2890.2. ~~The commission, in developing its~~  
20 ~~telecommunications priorities for the 21st century, shall do all of~~  
21 ~~the following in order to reaffirm the highest priority for~~  
22 ~~maintaining the rights of every citizen of the state to access quality~~  
23 ~~telecommunications services:~~

24 (a) ~~Develop a strategy to ensure that consumer choice is~~  
25 ~~provided within a public policy framework that does not expose~~  
26 ~~major segments of the state's telecommunications market,~~  
27 ~~particularly low-income customers, to the development of a public~~  
28 ~~infrastructure that is likely to become inferior to information age~~  
29 ~~infrastructure targeted to more lucrative markets by competition.~~

30 (b) ~~Articulate the vision of an improved telecommunications~~  
31 ~~infrastructure that actively considers the risks inherent in a purely~~  
32 ~~competitive policy that relegates the state's historical investment~~  
33 ~~in a copper transmission system to a second tier network as more~~  
34 ~~competitive fiber networks capture lucrative portions of the~~  
35 ~~market.~~

36 (c) ~~Encourage the development of a broadly accessible~~  
37 ~~telecommunications network, including an appropriate regulatory~~  
38 ~~and financial support structure and mechanism for utilization of~~  
39 ~~public and private partnerships, as needed, that ultimately leads to~~

1 ~~the future development of an integrated voice, video, and data~~  
2 ~~telecommunications system.~~

3 ~~(d) Develop a low income market plan that deploys innovative~~  
4 ~~strategies to serve low income consumers.~~

5 ~~(e) Support the following general principles as the basic rights~~  
6 ~~of the state's consumers in the 21st century telecommunications~~  
7 ~~market:~~

8 ~~(1) The right to products and services consistent with the state's~~  
9 ~~public trust obligation to universal, accessible, and affordable~~  
10 ~~telecommunications services.~~

11 ~~(2) The right to quality service and performance of~~  
12 ~~telecommunications tools.~~

13 ~~(3) The right to fair and honest treatment, including prompt and~~  
14 ~~equitable resolution of billing and service problems.~~

15 ~~(4) The right to all public information that is necessary to allow~~  
16 ~~consumers to make timely and informed choices about~~  
17 ~~telecommunications products and services.~~

18 ~~(5) The right to protect and preserve the confidentiality of~~  
19 ~~consumers' individual records and use patterns.~~

20 ~~(6) The right to choose telecommunications services from~~  
21 ~~among a wide array of products and services accessible to all~~  
22 ~~consumers.~~

23 ~~(7) The right to be heard by telecommunications providers to~~  
24 ~~facilitate the development of fair and consumer friendly policy~~  
25 ~~formation by telecommunications providers.~~

